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UNITED STATES OF AMERICA POSTAL REGULATORY COMMISSION WASHINGTON, DC 20268-0001

Before Commissioners: Ruth Y. Goldway, Chairman;

Mark Acton, Vice Chairman;

Nanci E. Langley; and

Robert G. Taub

Star Tannery Post Office Star Tannery, Virginia

Docket No. A2011-46

ORDER AFFIRMING DETERMINATION

(Issued December 6, 2011)

I. INTRODUCTION

On August 12, 2011, Robert Engle (Petitioner) filed a petition with the Commission seeking review of the Postal Service's determination to close the post office located in Star Tannery, Virginia (Star Tannery post office).¹ After reviewing the record in this proceeding, the Commission affirms the Postal Service's Final Determination to close the Star Tannery post office.

¹ Appeal from Robert Engle Regarding the Star Tannery, VA 22654 Post Office, August 12, 2011 (Petition).

II. PROCEDURAL HISTORY

On August 15, 2011, the Commission established Docket No. A2011-46 to consider the appeal, designated a Public Representative, and directed the Postal Service to file its Administrative Record and any responsive pleadings.²

On August 15 and 17, 2011, five letters (Supporting Letters) were filed in support of the initial Petition.³ On August 29, 2011, the Postal Service filed an incomplete Administrative Record with the Commission.⁴ Petitioner did not file any documents other than the petition for review. The Postal Service also filed comments requesting that the determination to close the Star Tannery post office be affirmed.⁵ The Public Representative did not file a brief.

III. BACKGROUND

The Star Tannery post office, classified as level EAS-11, provides service from 8:00 a.m. to 1:30 p.m., and 2:00 p.m. to 5:00 p.m., Monday through Friday, and from 9:00 a.m. to 1:00 p.m., on Saturday. Final Determination at 2. Lobby hours are 8:30 a.m. to 5 p.m., Monday through Friday, and 9:00 a.m. to 1 p.m. on Saturday. *Id.*

In addition to providing retail services, *e.g.*, sale of stamps, stamped paper, and money orders, the Star Tannery post office serves 36 post office box customers or general delivery customers and no delivery customers. The record indicates that 348 rural route deliveries are administered from the Strasburg, Virginia post office

² Notice and Order Accepting Appeal and Establishing Procedural Schedule, August 15, 2011 (Order No. 803).

³ The Supporting Letters consist of: Letter Received From Susan Tenenbaum, August 17, 2011; Letter Received From Terry and Lisa Strosnider, August 17, 2011; and three individual pieces entitled, Letter Regarding the Star Tannery, VA 22654 Post Office, August 15, 2011, from Ray and Linda Figgins, Virginia L. Orndorff, and Laurel V. Munk, respectively.

⁴ United States Postal Service Notice of Filing of Administrative Record, August 29, 2011 (Administrative Record). The Administrative Record includes as Item No. 47 the Postal Service's Final Determination to Close the Star Tannery, VA Post Office and Continue to Provide Service by Rural Route Service (Final Determination).

⁵ United States Postal Service Comments Regarding Appeal, October 6, 2011 (Postal Service Comments).

(Strasburg post office). Administrative Record, Item No. 13. There are no permit mailers or postage meter customers. Final Determination at 2. The Postal Service reports that the Star Tannery post office averages 28 transactions per day. *Id.* Its revenues have declined from \$37,316 in FY 2008 to \$31,355 in FY 2010. *Id.*; Postal Service Comments at 2-3.

On April 1, 2009, the Star Tannery postmaster retired. A noncareer employee from a neighboring office was installed as the temporary officer-in-charge (OIC). Final Determination at 2.

The Postal Service has made a decision to close the Star Tannery post office and provide delivery and retail services by rural route delivery administered by the Strasburg post office, located approximately 11 miles away.⁶ Post office box and retail services are available at the Strasburg post office from 9:00 a.m. to 5:00 p.m., Monday through Friday, and from 9:00 a.m. to 12:00 p.m., on Saturday. *Id.*; see also Administrative Record Item No. 4.

On February 9, 2011, questionnaires regarding a possible change in service were distributed to delivery customers of the Star Tannery post office. Final Determination at 2. Questionnaires were also available over the counter for retail customers. *Id.;* Postal Service Comments at 4. On March 9, 2011, the Postal Service held a community meeting at the Star Tannery Volunteer Fire Department to address customer concerns. Final Determination at 2. One hundred customers attended. Final Determination at 2; Administrative Record Item No. 24.

IV. PARTICIPANT PLEADINGS

Petitioner. Petitioner contends that the Star Tannery post office should not be closed. He asserts the Star Tannery post office is convenient for customers. Petition at 1-2. Petitioner is concerned that mail delivered by a rural carrier will not be secure. *Id.*

⁶ MapQuest estimates the driving distance between the Star Tannery and Strasburg post offices is 11.2 miles (15 minutes driving time).

The Petitioner also contends that the Postal Service discontinued service from the Star Tannery post office because of the facility's operational deficit, did not properly take into account the effects of closure on the community and address the community's related concerns; and failed to present viable options to closure. *Id.*

Postal Service. The Postal Service argues that the Commission should affirm its determination to discontinue the Star Tannery post office. Postal Service Comments at 2. The Postal Service maintains that it has followed the proper closing procedures of 39 U.S.C. § 404(d) and carefully considered the required factors of section 404(d)(2) in making its determination. *Id.* at 3.

The Postal Service states that its decision to close the Star Tannery post office was based on several factors, including:

- the postmaster vacancy;
- a minimal workload generating low and declining revenue;
- the variety of delivery and retail options available;
- minimal impact upon the community;
- minimal recent growth in the area; and
- expected financial savings.

Id. at 4.

The Postal Service asserts that it has addressed each of the concerns raised by Petitioner and that it has satisfied the requirements of 39 U.S.C. § 404(d).

V. COMMISSION ANALYSIS

The Commission's authority to review post office closings is provided by 39 U.S.C. § 404(d)(5). That section requires the Commission to review the Postal Service's determination to close or consolidate a post office on the basis of the record developed by the Postal Service. The Commission is empowered by section 404(d)(5)

to set aside any determination, findings, and conclusions that it finds to be (a) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law; (b) without observance of procedure required by law, or (c) unsupported by substantial evidence in the record. Should the Commission set aside any such determination, findings, or conclusions, it may remand the entire matter to the Postal Service for further consideration. Section 404(d)(5) does not, however, authorize the Commission to modify the Postal Service's determination by substituting its judgment for that of the Postal Service.

A. Notice to Customers

Section 404(d)(1) requires that, prior to making a determination to close any post office, the Postal Service must provide notice of its intent to close. Notice must be given 60 days before the proposed closure date to ensure that patrons have an opportunity to present their views regarding the closing. The Postal Service may not take any action to close a post office until 60 days after its determination is made available to persons served by that office. 39 U.S.C. § 404(d)(4). A decision to close a post office may be appealed within 30 days after the determination is made available to persons served by the office. 39 U.S.C. § 404(d)(5).

Notice of the Postal Service's Proposal to Close the Star Tannery, VA Post Office and Continue to Provide Service Through Rural Route Service (Proposal) was posted at the Star Tannery and Strasburg post offices from April 19, 2011 through June 20, 2011. Final Determination at 2; Administrative Record, Item No. 32. At the same time, the Postal Service posted an invitation for customers to comment on the Proposal. Administrative Record, Item Nos. 34-36 at 2. The Postal Service received approximately 100 comments regarding the Proposal during the 60-day period. Administrative Record Item No. 38 at 1A-122A; *Id.* Item No. 40 at 1. The Final Determination to close the Star Tannery post office was posted at the Star Tannery and Strasburg post offices from July 14, 2011 to August 15, 2011. *Id.* Item No. 49 at 1-2.

Based on review of the record, the Commission finds that the Postal Service has satisfied the minimum notice requirements of 39 U.S.C. § 404(d).

B. Other Statutory Considerations

In making a determination on whether or not to close a post office, the Postal Service must consider the following factors: the effect on the community; the effect on postal employees; whether a maximum degree of effective and regular postal service will be provided; and the economic savings to the Postal Service. 39 U.S.C. § 404(d)(2)(A). Also, 39 U.S.C. § 101(b) prohibits the Postal Service from closing any small post office solely for operating at a deficit.

Effect on the community. Star Tannery is an unincorporated community located in Frederick County, Virginia. Administrative Record, Item No. 16. The community is administered politically by Frederick County, Virginia. Police protection is provided by the Frederick County Sheriff Department and fire protection is provided by the Star Tannery Volunteer Fire Department. *Id.* The questionnaires completed by Star Tannery customers indicate, in general, that commuters and others who reside in Star Tannery must travel elsewhere for other supplies and services. Postal Service Comments at 8.

As a general matter, the Postal Service solicits input from the community by distributing questionnaires to customers and holding a community meeting. As part of its investigation, on February 9, 2011, the Postal Service distributed questionnaires to post office box customers regarding the possible change in service at the Star Tannery post office. Final Determination at 2. Additional questionnaires were available over the counter to retail customers. *Id.* A total of 386 questionnaires were distributed and 118 were returned. *Id.*

On March 9, 2011, the Postal Service held a community meeting at the Star Tannery Volunteer Fire Department to address customer concerns. Administrative Record, Item No. 24. One hundred residents attended. *Id.* At that meeting and in subsequent letters to the Postal Service concerning its Proposal, customers raised

concerns regarding the effect of the closure on postal services. *Id.* at Item No. 25. The Postal Service solicited written comments concerning its Proposal and responded to each with a standard letter. *See id.* at Item No. 38. Customers' concerns and the Postal Service's responses are summarized in the Final Determination. Final Determination at 2-23.

Petitioner states that the residents of Star Tannery do not want the Star Tannery post office to close. Petition at 2. The Petition and Supporting Letters speak to the effect the closure may have on the Star Tannery community. Petition at 1-2; Supporting Letters passim. Customers are concerned about the distance to the Strasburg post office and the loss of community identity. See, e.g., Petition at 2; Supporting Letters passim. The Postal Service's position is that the new delivery route has been carefully reviewed to provide the most cost-efficient service and that the selection of Strasburg as the emanating facility was reasonable. Final Determination at 15. The Postal Service also said it will preserve the community identity by continuing the use of the Star Tannery name in addresses. *Id.* at 14, 22; Postal Service Comments at 9.

More specifically, in response to concerns expressed by customers about the loss of community identity, the Postal Service explained that a community's identity derives from the interest and vitality of its residents and their use of its name. The Postal Service is helping to preserve community identity by continuing the use of the Star Tannery post office name and ZIP Code in addresses and in the National Five-Digit ZIP Code and Post Office Directory. *Id.* In response to concerns expressed by customers about the loss of a community meeting place, the Postal Service noted that customers may continue to meet informally, socialize, and share information at the Volunteer Fire Department, other businesses, churches, and residences in town. *Id.* at 23; Administrative Record Item No. 33 at 13.

In addition, the Postal Service notes that nonpostal services provided by the Star Tannery post office can be provided by the Strasburg post office. Further, government forms usually provided by the post office are also available by contacting local

government agencies directly. Final Determination at 21, Administrative Record Item No. 22 at 12.

Upon review of the record in this proceeding, the Commission concludes that the Postal Service has satisfied the requirement that it consider the effect of closing on the community. 39 U.S.C. § 404(d)(2)(A)(i).

Effective and regular service. Customers raised various concerns about the closing's effect on postal services, namely, the quality of the rural service to be provided by the Strasburg post office; alternatives to rural carrier service; mail security; and the impact on the elderly and handicapped. Petition at 1-2; Supporting Letters. The Postal Service commented on these concerns when it responded to customer comments in submitted questionnaire responses and when it answered questions at the community meeting in response to the Proposal to close the Star Tannery post office. Final Determination at 2-21; Administrative Record, Item Nos. 25, 38, 40; see also Postal Service Comments at 4-11.

The Postal Service considered the relative quality of rural service provided by rural carriers by the Strasburg post office. It explained that its carriers attempt to provide service at approximately the same time on a daily basis. Mail volumes and weather conditions, however, can affect delivery times. Rural carriers are required to serve the route expeditiously. Final Determination at 4; Administrative Record, Item Nos. 23 - 23b, 25a. The Postal Service asserts that access to a rural letter carrier at about the same time once each day will be an adequate substitute for those users of the Star Tannery post office who cannot drive to the Strasburg post office. Final Determination at 2,15; Postal Service Comments at 7.

The effect of the closing on the provision of various postal services including the purchase of money orders and stamps, the sending and receiving of certified letters, registered letters, and CODs was considered by the Postal Service. The Postal Service explained that money orders can be purchased from the rural carrier. Final Determination at 20 – 21; Administrative Record, Item No. 33 at 11. The Postal Service explained that if a customer desires special services from the rural carrier, the customer

may leave a note in the customer's mailbox instructing the carrier to sound his horn, and then meet the carrier to receive services. The rural carrier will accept any letters or packages for mailing. The carrier will estimate the cost and provide a receipt for any money received. On the following delivery day, the carrier will provide change or a bill for the amount over the estimate. Retail services may also be obtained at the Strasburg post office. Final Determination at 2.

Petitioner argues further that the Postal Service neglected to consider other options, such as a reduction in service hours, as alternatives to closure. Petition at 1. The Postal Service addressed this concern, stating that its investigation led it to the conclusion that the low workload did not make the reduction in service hours a viable option and that regular and effective service could be efficiently maintained through rural delivery emanating out of the Strasburg post office. Final Determination at 3, 18.

The Postal Service also considered the effect of closing the Star Tannery post office on mail security. The Postal Service explained that if the decision is made to have customers install their own box, customers may place a lock on their mailboxes. The mailbox must have a slot large enough to accommodate the customer's normal daily mail volume. The Postal Service is also considering the installation of cluster box units, which provide the security of individually locked mail compartments. Final Determination at 16; Administrative Record, Item No. 23c; *Id.* Item No. 33, at 6.

The Postal Service considered the impact of the closing on the elderly and handicapped customers of the Star Tannery post office. Services provided at the Strasburg post office will be available from the rural carrier, customers do not have to make a special trip to the post office for such services. The Postal Service represents that the carrier can provide delivery and retail service to roadside mailboxes, and that most transactions do not require meeting the carrier at the mailbox. Special provisions are made for hardship cases or special customer needs. Final Determination at 10, 16,

22; Administrative Record Item Nos. 23a, 25a, 33 at 3; see also Postal Operations Manual, § 631.42.⁷

Customers expressed concern that the Strasburg post office is not handicap accessible. Administrative Record Item Nos. 23a, 33 at 2. The Postal Service acknowledges that it is subject to the Architectural Barriers Act of 1969, which requires most federally constructed or leased buildings meet handicap accessibility requirements, but points out that the Strasburg post office was constructed in 1936 and has been designated as a historical building thereby exempting this facility from the requirements of the Act. Final Determination at 5. The Postal Service acknowledges this fact and provides alternative means for handicap persons to access postal services apart from visiting the Strasburg post office. *Id.*

Upon review of the record in this proceeding, the Commission concludes that the Postal Service has considered its ability to provide a maximum degree of effective and regular service. 39 U.S.C. § 404(d)(2)(A)(iii).

Economic savings and effect on employees. The Postal Service estimates total annual savings of \$21,988. Final Determination at 23. It derives this figure by summing the following costs: postmaster salary and benefits \$20,492; and annual lease costs \$3,600, minus the cost of replacement service \$2,104. *Id.*

The Petitioner argues that the Postal Service chose to keep the postmaster position vacant then cites this vacancy as a reason for discontinuance. Petition at 1. The Star Tannery postmaster retired in April 2009. Since that time, the post office has been run by a temporary non-career OIC. *Id.* at 2; Postal Service Comments at 9. In the Final Determination, the Postal Service explained that the postmaster position was affected by a freeze in all management positions in anticipation of Postal Service reorganization efforts. Final Determination at 10.

⁷ POM § 631.42 provides for consideration of changes in the mode of delivery where existing methods impose an extreme physical hardship on an individual customer. Approval is to be based on humanitarian and not economic criteria evaluated on the basis of the customer's need and not denied because of increased operational costs or because a family member or other party may be available to receive mail for the customer. POM, Issue 9, July 2002.

Upon the Star Tannery post office's discontinuance, the temporary non-career OIC may be reassigned to another OIC position if an opening exists. Postal Service Comments at 9. By closing the Star Tannery post office, the Postal Service avoids having to appoint a new postmaster and does not incur the salary and benefits of a postmaster. If the current non-career OIC remains employed by the Postal Service, there is no change in costs. If that employee is separated, there would be additional savings that are not reflected in the Postal Service's estimate. No other employees will be adversely affected. *Id.*

Upon review of the record in this proceeding, the Commission concludes that the Postal Service has satisfied the requirement that it consider economic savings and the effect on postal employees. 39 U.S.C. § 404(d)(2)(A)(ii) and (iv).

Section 101(b).

Petitioner and others vigorously attack rural carrier replacement service as contrary to the requirement in section 101(b) that the Postal Service provide a "maximum degree" of effective and regular service. Petition at 1; Supporting Letters at 1. The "maximum degree" standard is not absolute. If it were, it could be used to attack virtually any form or level of service by hypothesizing an even higher quality or quantity of service. Rather, this standard must be interpreted and applied in a specific context by balancing relevant, and sometimes competing, considerations. The record in this case supports the conclusion that the Postal Service has attempted to identify and balance the relevant considerations and, in doing so, has satisfied the statutory standard.

Petitioner argues further that the Postal Service's determination to close the Star Tannery post office is prohibited by section 101(b) which prohibits closing any small post office solely for operating at a deficit. Petition at 1. The Petitioner and others contend that the Postal Service's closing of the Star Tannery post office violates section 101(b) because none of the reasons it advances are unrelated to the Star Tannery post office deficit. *Id.*; see also Supporting Letters.

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The Commission is not prepared to conclude that the Postal Service's determination violates section 101(b). In addition to considering workload at the Star Tannery post office (revenues declining and averaging only 28 retail transactions per day), the record shows the Postal Service took into account other factors such as the postmaster vacancy, decline in workload, area's minimal growth in recent years, and that effective and regular service can be provided through rural route service. Final Determination at 24. The Commission concludes that the Postal Service did not violate the prohibition in section 101(b) on closing the Star Tannery post office solely for operating at a deficit.

VI. CONCLUSION

Based on the review of the record, the Commission concludes that the Postal Service has met the requirements of 39 U.S.C. § 404(d). Accordingly, the Postal Service's determination to close the Star Tannery post office is affirmed.

It is ordered:

The Postal Service's determination to close the Star Tannery, Virginia post office is affirmed.

By the Commission.

Shoshana M. Grove Secretary

CONCURRING OPINION BY CHAIRMAN GOLDWAY

I concur with this decision although I am concerned about the distance patrons of Star Tannery will have to travel to reach the nearest Postal Service operated retail facility. The Postal Service has concluded that in this instance rural carriers will provide adequate replacement service, and on this record that finding is not arbitrary or an abuse of discretion.

Recent news reports indicate that the Postal Service has contracted to open a Village post office in Star Tannery. Information on this initiative was not part of the discussion in the record on appeal, but I am gratified that the Postal Service is attempting to assure that alternative access to postal services is provided to residents of Star Tannery.

Ruth Y. Goldway